CA2ALID
A56
1973/74 c.2

ALBERTA LEGISLATURE LIBRARY
3 3398 00357 9439

Digitized by the Internet Archive
in 2026 with funding from
Legislative Assembly of Alberta - Alberta Legislature Library

LEGISLATURE LIBRARY
C2
FEB 13 1975
EDMONTON

LIBRARY
VAULT

Alberta

INDUSTRY AND COMMERCE

Annual Report

1973-1974

Digitized by the Internet Archive
in 2026 with funding from
University of Alberta Library

https://archive.org/details/ableg_33398003579439

Annual Report

1973-1974

Alberta

INDUSTRY AND COMMERCE

TABLE OF CONTENTS

Minister's Submission 1.

Deputy Minister's Submission 2.

Executive of the Department 5.

Assistant Deputy Minister Finance and Administration Services 6.

- Realignment of Administration
- Program Budgeting
- Management System
- Communications and Records Management
- Policy and Procedures
- Renovation Program
- Business and Financial Analysis
- Legislation
- Departmental Restructuring
- Public Relations

Assistant Deputy Minister Economic Development 11.

- Introduction
- Regional Services Branch
- International Marketing Branch
- Industry Development Branch
- International Operations

Assistant Deputy Minister Transport Research and Development 20.

- General
- Divisional Growth
- Projects Undertaken and Completed
- Research Projects Initiated
- Projects Undertaken or About to be Undertaken
- Communications

Acting Chief Economic Research and Analysis 24.

Introduction

Western Economic Opportunities Conference

Market Analysis

Economic Analysis and Forecasting

Travel Research

Foreign Market Research

Planning and Program Development

Publications Distributed 1973-74

Dept. of Industry and Commerce

Edmonton, Alberta

January 15, 1975

To His Honour

RALPH E. STEINHAUER

Lieutenant Governor of the Province of Alberta

Sir:

The undersigned has the honour to sumit herewith the report of the Department of Industry and Commerce for the year ended March 31, 1974.

Respectfully submitted,

F.H. PEACOCK

Minister of Industry and Commerce

Annual Report 1973-74

Dept. of Industry and Commerce

Edmonton, Alberta

January 15, 1975

To The Honourable

F.H. PEACOCK

Minister of Industry and Commerce

Sir:

I have the honour to submit herewith, a report covering activities of the Department of Industry and Commerce for the fiscal year ended March 31, 1974.

The Department of Industry and Commerce experienced considerable reorganization during this period to enable it to assist effectively in the economic development of the province. As the emphasis in the province changed from reliance on primary resources, to the development of various manufacturing sectors, the department's activities also changed.

Major industrial events which occurred were:

1) The Government of Alberta accepted an option to buy equity participation in IPSCO. The development of a steel industry is to allow for the provision of a long term reliable supply of steel, create more jobs and provide a basis for expansion of other manufacturing sectors.
2) The Alberta Government agreed to participate in a feasibility study with the federal government in the development of the Clear Hills iron ore deposits.

3) The Department of Industry and Commerce initiated a study to determine the feasibility of a petrochemical industry in Alberta.

The Economic Development Division was modified to better cope with the anticipated expansion of industrial activity.

The Industry Development Branch began operation on March 1, 1974. This branch with its various sector directors assists firms in their efforts to expand and rationalize industrial activity in the province.

The Regional Services Branch was organized to help towns and cities in rural Alberta improve their economy and to decentralize industrial and commercial activity.

In the International Marketing Branch, which provides assistance to potential Alberta exporters, considerable effort was concentrated on organization and staffing. The branch was involved in exploratory and trade missions to Japan, S.E. Asia, India and U.S.S.R. and also received similar missions from Brazil, China, Hungary, Japan and the U.S.S.R.

The Transport Research and Development Division added to its staff to meet its objective of promoting optimum transport development in the province. Emphasis was placed on planning for more efficient transportation within the province as well as on working towards better access to markets outside of Alberta. This division was involved in the Western Economic Opportunities Conference; provided the basic research for the common western provinces' position on transportation; initiated an airport development program; worked toward the change of Gross Vehicle Weights from 72,000 to 110,000 lbs.; developed a cost sharing program with the federal government for highway strengthening and began a review of railway rate structures.

The Economic Research and Analysis Branch lays stress on providing information to decision makers in both the public and private sectors. During the 1973-74 fiscal year, the branch carried out work preparatory to the Western Economic Opportunities Conference; undertook analysis on a variety of products; reviewed major federal economic legislation and programs; published the Executive Report and the monthly Alberta Economic Outlook; provided travel research for Travel Alberta and assisted in foreign market research.

The Finance and Administration Division began work on program budgeting, performance appraisal system and introduced a new component to provide business and financial analysis to the department.

A separate and more comprehensive report on the activities of each division in the department is contained herein.

Respectfully submitted,

A.G. McDONALD

Deputy Minister
Alberta Industry and Commerce

EXECUTIVE OF THE DEPARTMENT

March 31, 1974

DEPUTY MINISTER	D. McEachran (Acting)
FINANCE AND ADMINISTRATION SERVICES	
Assistant Deputy Minister	N.F.Wm. Picard
Director, Budgetary and Administrative Services	E.R. Halberg
Information Officer (Public Relations)	Mrs. D. Foster
ECONOMIC DEVELOPMENT DIVISION	
Assistant Deputy Minister	W.J.M. Wenzel
Executive Director, Regional Services	K. Broadfoot
Director, Industrial Development	J. Snary
Executive Director (Acting), International Marketing	P. Cutler
TRANSPORT RESEARCH AND DEVELOPMENT	
Assistant Deputy Minister	J.W. Telford
Executive Director (Acting)	T. Morrison
Director (Acting), Policy and Planning	F. Sturm
ECONOMIC RESEARCH AND ANALYSIS	
Acting Chief	R. Nicoll

FINANCE AND ADMINISTRATION DIVISION

ANNUAL REPORT

FISCAL YEAR 1973-74

In addition to the general elements involved in the administration of the department, the function of this division includes examining business and financial considerations, particularly those relating to large and special projects. In this connection, this division makes recommendations to the minister, and through him to the government. Also, input is made to financial research and analysis within the department. Another function of this division is monitoring the departmental information services including public relations and internal communications.

For the 1973-74 period, significant developments are enumerated below and followed by some commentary:

REALIGNMENT OF ADMINISTRATION

Provision was made to give separate identity to the personnel function, and a review of all accounting procedures undertaken with the aim of achieving maximum efficiency.

PROGRAM BUDGETING

Concordant with the normal budget cycle, "program budgeting" was introduced to the department on a project basis. Preparations were made for interfacing the program budgeting concept with a new government management program and performance appraisal system.

MANAGEMENT SYSTEM

The department was introduced to the new management system developed by the Public Service Commissioner, which system also embodies a modern

performance appraisal system. During the 1973-74 fiscal year, the groundwork was laid for applying this system in the department.

COMMUNICATIONS AND RECORDS MANAGEMENT

To achieve best effectiveness in information retention, sourcing, and good communications within the department, a complete study of records management was undertaken.

POLICY AND PROCEDURES

To foster better communications and coordination within the department and enhance management efficiency, this division began development of a policy and procedures manual. The manual takes the form of a guide to internal working procedures and policies of the department.

RENOVATION PROGRAM

Plans were developed for renovating and enlarging the space occupied by the department to accommodate the increased activity, improve working efficiency, and project a suitable image to the public. The renovation program was subject to the discretion of Alberta Public Works and assumed long range characteristics.

BUSINESS AND FINANCIAL ANALYSIS

During the reporting period recruitment was undertaken for personnel possessing the necessary high levels of skill and experience for this new and small component.

LEGISLATION

The Industry and Commerce Act was modified and updated to, among other things, provide the department with the facility for making grants and/or guaranteeing loans for certain programs and under certain circumstances. The required amendments to the Industry and Commerce Act were

introduced to the 17th legislature, 3rd session, spring 1974, as Bill 44. At the end of the fiscal year covered by the report, this Bill had received second reading.

DEPARTMENTAL RESTRUCTURING

A special recruitment program was launched to effectively complete the new structuring of the department. Other related requirements such as training, space, etc. were made part of scheduled plans.

PUBLIC RELATIONS

To meet the growing requirements of the department and suitably inform the public of the department's function, in December, 1973, the Bureau of Public Affairs assigned a full time information officer to the Department of Industry and Commerce. The information officer established a communications office within the department, responsible for all media coverage, publications, advertising, and internal communications. As of the end of the 1973-74 fiscal year, no special budget has been assigned to promotional activities. Future budget for the department could include and provide for this important function.

INDUSTRY AND COMMERCE DEPARTMENT

STATEMENT OF LEGISLATIVE AND EXECUTIVE APPROPRIATIONS, EXPENDITURES AND UNEXPENDED BALANCES

FOR THE YEAR ENDED MARCH 31, 1974

Payments for the year ended March 31, 1974	No. of Apprn.	Service	APPROPRIATIONS						Remarks
			Legislative	Executive	Total	Expended	Unexpended	Over expended	
			INCOME ACCOUNT						
$ 66,863	1601.	Minister's Office	$ 62,600	$ * 2,900	$ 65,500	$ 68,056	$ —	$ 2,556	O/C 704/74
53,915	1602.	Deputy Minister's Office	41,960	* 1,900	43,860	55,557	—	11,697	Os/C 256 & 773/74
41,353	1610.	Finance and Administration	29,220	—	29,220	44,372	—	15,152	O/C 1166/73
105,339	1611.	Budgetary and Administrative Services	85,770	* 7,600	93,370	105,954	—	12,584	Os/C 256, 704 & 773/74
380,022	1612.	Planning and Intelligence	336,970	* 45,000	388,470	393,390	—	4,920	S.W. 90/73-74, O/C 773/74
			—	* 6,500	—				
57,419	1620.	Economic Development	55,110	—	55,110	62,990	—	7,880	Os/C 256 & 773/74
427,629	1621.	International Marketing	492,860	20,000	526,560	456,095	70,465	—	S.W. 90/73-74
			—	* 13,700	—				
106,484	1622.	Industry Sector	212,590	—	212,590	160,190	52,400	—	
333,453	1623.	Industrial Development	364,320	—	364,320	336,724	27,596	—	
469,037	1624.	Transport Research and Development	474,440	—	474,440	(528,563)	—	54,123	O/C 773/74
12,745	1625.	Lesser Slave Lake Projects	15,000	—	15,000	12,745	2,255	—	
4,436,066	1630.	Research Council of Alberta	4,226,870	199,600	4,591,470	4,588,932	2,538	—	S.Ws. 93 & 109/73-74
			—	* 165,000	—				
$ 6,490,325		TOTAL: Income Account	$ 6,397,710	$ 462,200	$ 6,859,910	$ 6,813,568	$ 46,342 (Net)	—	

*Transferred from Apprn. 2713—Salary Contingencies.

Apprn. 1614 transferred to Consumer Affairs Department under authority of Order-in-Council 525/73.

INDUSTRY AND COMMERCE DEPARTMENT

EXPENDITURE CLASSIFIED BY APPROPRIATIONS AND CHARACTER

FOR THE YEAR ENDED MARCH 31, 1974

INCOME ACCOUNT

Service	1601 Minister's Office	1602 Deputy Minister's Office	1610 Finance and Administration	1611 Budgetary and Administrative Services	1612 Planning and Intelligence	1620 Economic Development	1621 International Marketing	1622 Industry Sector	1623 Industrial Development	1624 Transport Research and Development	1625 Lesser Slave Lake Projects	1630 Research Council of Alberta	Totals
Advertising	$ —	$ —	$ —	$ —	$ 142	$ —	$ 12,196	$ 1,155	$ 10,763	$ —	$ —	$ 6,423	$ 30,679
Automobiles, trucks and mobile equipment, purchase	—	—	—	—	—	—	—	—	—	—	—	10,846	10,846
Automobiles, trucks and mobile equipment, expenses	—	—	—	278	—	—	—	—	—	—	—	55,432	55,710
Canada Pension—government portion	409	145	241	1,156	2,292	348	2,857	290	2,090	1,494	—	27,346	38,668
Compensation	—	—	—	—	—	—	—	—	—	—	—	210	210
Contracts and agreements	—	—	—	—	—	—	10,000	—	—	—	—	156,347	166,347
Entertainment expenses	239	909	—	—	384	1,104	21,395	438	2,023	1,707	—	456	28,655
Fees and commissions	17,206	30,196	6,499	4,514	117,380	23,815	119,987	99,087	47,395	344,112	12,745	106,768	929,704
Freight, express and cartage	—	—	—	—	1,104	784	6,454	209	6,700	4,445	—	11,309	31,005
Furnishings, equipment and tools	680	622	1,620	1,493	1,520	622	4,188	6,727	2,937	1,860	—	316,006	338,275
Grants, prizes	—	—	—	—	—	—	656	—	338	20,500	—	29,342	50,836
Group life insurance—government portion	—	—	—	260	618	—	535	102	748	400	—	—	2,663
Hospitalization	—	—	—	—	—	—	580	—	—	—	—	—	580
Insurance	—	—	—	—	—	—	176	—	—	—	—	4,478	4,654
Materials and supplies—administrative	3,755	1,605	1,296	5,157	27,540	4,705	33,586	12,155	13,827	7,108	—	322,763	433,497
Materials and supplies—construction	—	—	—	—	—	—	—	—	—	—	—	64,676	64,676
Medical insurance—government portion	—	—	—	371	922	—	414	121	917	469	—	12,071	15,285
Miscellaneous expenses	201	193	311	35	5	110	163	27	5	76	—	50	1,176
Postage	—	—	—	362	2,870	533	2,014	147	5,976	323	—	8,148	20,373
Rentals	1,016	1,002	761	2,837	8,883	1,293	8,648	629	3,620	4,152	—	72,678	105,519
Repair and maintenance of furnishings, equipment and tools	—	—	—	—	—	—	—	—	—	—	—	28,200	28,200
Repair and maintenance of office machines	217	301	—	544	519	103	—	467	672	718	—	6,952	10,493
Salaries	37,467	9,715	30,928	75,122	194,603	17,152	140,691	27,911	194,418	106,109	—	3,134,778	3,968,894
Taxes	—	—	—	—	—	—	—	—	—	—	—	—	—
Telephone and telegraph	4,513	2,683	—	1,023	3,897	2,724	10,647	1,238	7,948	7,398	—	33,387	75,458
Travelling expenses of other than public servants	1,184	8,186	—	—	530	6,180	30,215	3,285	5,386	3,868	—	6,213	65,047
Travelling expenses of public servants	886	—	126	413	11,735	341	36,818	5,618	29,199	21,340	—	121,229	227,705
Tuition	—	—	—	—	—	—	—	—	—	—	—	250	250
Unemployment insurance—government portion	283	—	149	732	1,463	152	1,142	167	1,252	850	—	18,590	24,780
Utilities	—	—	—	—	—	—	—	—	—	—	—	2,539	2,539
Wages	—	—	2,441	11,657	16,983	3,024	12,733	417	510	1,634	—	31,445	80,844
TOTAL: Income Account	$ 68,056	$ 55,557	$ 44,372	$ 105,954	$ 393,390	$ 62,990	$ 456,095	$ 160,190	$ 336,724	$ 528,563	$ 12,745	$ 4,588,932	$ 6,813,568

ECONOMIC DEVELOPMENT DIVISION

ANNUAL REPORT

FISCAL YEAR 1973-74

INTRODUCTION

The principal economic objective of this division is to provide creative earning opportunities for all Albertans. Confident that the resources and the potential exist to achieve this objective, the division aims to lessen heavy reliance on primary production and resource extraction by increasing development in secondary industry.

The economic development division takes an integrated developmental approach to primary industries such as agriculture, mining, forestry, and to various manufacturing industries such as petrochemicals, machinery, iron, and steel. The following items summarize the division's activities to increase industrial economic development and diversification in Alberta.

STEEL INDUSTRY

To assure a long-term, reliable supply of steel at competitive prices two steps were taken by the Alberta Government to establish an integrated iron and steel facility in western Canada. First, the Alberta Government accepted an option to buy equity participation in IPSCO. This move was designed to strengthen the steel industry by moving in a coordinated manner towards creating an improved supply of raw steel.

Second, the Alberta Government announced participation in a feasibility study on the Clear Hills iron ore deposits in northwestern Alberta.

PETROCHEMICALS

The Department of Industry and Commerce commissioned a study to determine the feasibility of a petrochemical industry in the province of Alberta.

This is now completed and a summary report with its findings was tabled in the Legislative Assembly during the 1974 spring session.

In addition to the petrochemical study, the Department of Industry and Commerce is negotiating with investors and companies in the private sector willing to help set up a world-scale petrochemical complex and to give Alberta future independence and export potential in petrochemicals, fertilizers, drug and fibre bases, plastics, and other chemicals.

REGIONAL SERVICES BRANCH

RURAL ECONOMIC DEVELOPMENT

Progressive steps have been taken by the Department of Industry and Commerce to enhance economic development in rural Alberta.

ACTIVITIES

1. A new branch called REGIONAL SERVICES was organized to help improve the economy of towns and cities in rural Alberta.
2. Staff were hired and trained as follows:
   a) Executive Director
   b) New Economic Development Representatives and support staff were added or changed in Medicine Hat, Edson, Calgary, St. Paul, Peace River, and Grande Prairie. Staffing of Calgary Rural, Lethbridge, and Camrose offices remains to be completed in the 1974-75 budget year. This represented the first phase of an organization program which is to be completed in 1974-75 and will result in a staff of:

      4 Management

      12 Economic Development Representatives

      15 Support persons
3. The following five new regional development programs were introduced:
   a) Opportunity Inventory

- Alberta firms capable of expansion were identified and listed.
- Industrial gaps that could be filled by firms located outside Alberta were identified and listed.
- A catalogue of imports which could be replaced by Alberta manufactured products was compiled.

b) Rural/Urban Economic Development

- A program was introduced to activate communities in self-help. This program was directed towards improving economy-related services, and to develop needed commercial enterprise and to attract industry.
- Economic Development Committees were organized in 40 communities: work proceeded towards completion of an Economic Development Action Plan for each town.

c) Small Town Economic Development

- The branch worked on the premise that very small communities can and will survive if properly led and motivated from within and with some government planning assistance. The organization of groups of communities into trading areas, banded together in common economic units, was encouraged.

d) Industrial Development

- A plan was developed to communicate opportunites to existing Alberta firms.
- Action was begun to prepare communities for industrial development.
- Data was prepared for industrial clients.
- A program to assist industries in site and building location was introduced.

e) Communications

- Communication of specific industrial and commercial opportunities and the government services was undertaken.
- Information on economic development services was offered by the Department of Industry and Commerce and was made available to community leaders and schools in many areas of the province.

INTERNATIONAL MARKETING BRANCH

The branch provided assistance to Alberta manufacturers, processors and the consulting and service industries to determine export feasibility. The purpose of the branch is to promote Alberta goods and services in markets outside Alberta. The branch formed an intelligence gathering system to not only include the capabilities of Alberta manufacturers but also the requirements for goods and services in markets outside of Alberta. It became essential to identify the constraints affecting both markets and production of goods and services.

During the period under review, considerable effort was concentrated on organizing and staffing the branch, developing market intelligence systems, establishing contact with Alberta manufacturing concerns and with potential customers outside the province.

The International Marketing Branch has been involved in sending trade and exploratory missions to Japan, S.E. Asia, India, and the U.S.S.R. On these missions, Alberta industry representatives and government officials discussed export opportunities in the specific market areas visited. Industry reaction has been favourable to these efforts and prospects are encouraging for establishing Alberta goods in export markets.

Preparations were completed to send a mission to the Middle East; however, the outbreak of hostilities caused the mission to be cancelled.

The branch carried out an initial assessment of the effects of establishing a foreign trade zone in Alberta. As well as receiving Trade Commissioners from various federal posts overseas, the branch met with incoming missions covering a wide variety of marketing interests. These incoming missions were from Brazil, China, Hungary, Japan, and Russia. In several instances, initial exploratory missions were followed by trade missions to Alberta from some of the countries in question.

Market intelligence interviews with more than one thousand Alberta manufacturers and service companies were completed. In many instances, commodity shortages and existing commitments limited the ability of Alberta firms to enter export markets. Contact is maintained with companies that can be assisted in entering export trade if conditions change.

INDUSTRY DEVELOPMENT BRANCH

The Industry Development Branch began operation on March 1, 1974 and the first month of operation was one of familiarization with the department and initiation of various sector objectives.

New staff included an Executive Director, Sector Directors for chemicals and manufacturing, an Administrative Assistant and one Secretary.

The remainder of this report deals strictly with the activities of the Industry Promotion Section which preceded the branch and was formerly known as the Industrial Development Branch.

INDUSTRY PROMOTION SECTION

Organizational Changes During the Year

- In May, 1973, the regional services component became a separate branch.
- The name change to Industry Development Branch led to Industry Promotion becoming a section within the new branch.
- During the latter part of the year a site selection function was established. The sites selection officer provides comprehensive information

on all available industrial sites in Alberta and assistance to interested firms in selecting the site best suited to their individual requirements. This new function has been particularly well received by industry.

MAJOR PROJECTS UNDERTAKEN AND COMPLETED DURING THE YEAR

- Two product design seminars were held in Edmonton and Calgary in conjunction with the Office of Design, Department of Industry, Trade and Commerce, Ottawa.
- The section participated in the first Computers Electronics and Controls Show (CEC'73) in Calgary.
- A departmental position paper was issued on the use of the Whitecourt forest reserves.
- The section participated as a member of the steering committee in the department's petrochemical study.
- The section participated as a member of the Industrial Gas Policy Committee.
- Considerable time was spent by the branch attempting to find a buyer for the Two Hills chemical plant. The government joined with Dow-Chemical Company in administering the Two Hills chemical plant on an interim basis.
- Input was provided to the Bituminous Sands Development Policy.
- Follow-up prospect trips to the Tronto and Houston/Dallas, Texas areas were carried out.

PROJECTS UNDERTAKEN WHICH ARE CONTINUING

- The section worked with the major bidders for the Armed Forces Long Range Patrol Aircraft to find local Alberta firms which could provide components for the project.
- A joint study was begun with the three other western provinces to determine the potential for manufacturing hospital and pharmaceutical supplies for the western Canadian market.

- A member of the branch was seconded to head a working group for the departmental program budgeting pilot project.
- An advertising and mail campaign was developed to alert Alberta firms to opportunities for them resulting from the Syncrude project. This activity is planned to continue throughout the project construction stage. Future activities will include some examination of Syncrude's purchasing policy and identifying manufacturing gaps for Alberta firms, resulting from oil sands development.
- The section established contact and continued to work with both the federal and Ontario governments on a National Transportation Development Corporation, particularly in the area of urban transit equipment manufacturing.
- The section initiated and organized a departmental Industrial Prospect Committee to ensure that all branches within the department became aware of each other's activities, thus avoiding any duplication of effort.

BUSINESS CONTACTS

- During the year a significant portion of the branch's time was spent working directly with businesses interested in locating operations in Alberta or expanding existing Alberta facilities. The branch established contact and continued to work with an additional 155 firms expressing serious interest in Alberta. In addition, 11 companies with which the branch was directly involved established new facilities in the province and are considered successful 'closures' by the branch.
- Branch personnel made over 50 plant tours during the year.

PERSONNEL AND STAFF DEVELOPMENT

- The director and one officer attended one week courses in advanced and basic industrial development, respectively.
- During the year two additional officers and clerical staff were hired to fill vacancies as the result of resignations, and one officer resigned

to become a director in the newly created Industry Development Branch.

FILM INDUSTRY DEVELOPMENT SECTOR

This sector was established in April, 1973, as part of Industry Development Branch.

Projects

- Development of a Film Industry Association in the province.
- Working with feature film producers to use Alberta as a shooting location (two films were produced in Alberta during the fiscal year).
- Developing a Motion Picture and Television Production Location Book for the feature film industry.
- Assisting Syncrude Canada Limited in the production of a promotional film.
- Undertook a study of the feature film location program of New Mexico State - the pioneers in this area.
- Held meetings with various provincial and federal government departments to determine policies and overcome problems associated with feature film production in Alberta.
- Continued association with the Alberta Motion Picture Industries Association.

INTERNATIONAL OPERATIONS

Attached to the Economic Development Division, three overseas offices in London, Tokyo and Los Angeles provide pertinent information on markets, investment potential and industry development.

Visits and meetings were arranged and hosted through these offices between Alberta Government officials and foreign businessmen, commercial organizations and governments. By these actions, Alberta has been introduced to the foreign business communities. Information on the Alberta

economy and possible investment opportunities have also been presented to individuals and groups of investors expressing an interest in the province.

In the coming period 1974-75, the actions of these foreign offices are aimed at attracting new industry and investment capital.

The Directors in London, Tokyo and Los Angeles continue to maintain a close surveillance on new economic and technology developments in their respective areas. Foreign offices have assisted numerous Alberta businesses in generating new markets, acquiring technology, financing or finding joint venture partners.

TRANSPORT RESEARCH AND DEVELOPMENT DIVISION

ANNUAL REPORT

FISCAL YEAR 1973-74

GENERAL

Under the aegis of Bill 15 - June 2, 1972, Industry and Commerce Act, responsibility for the development of Alberta's transportation interests was assigned to the Department of Industry and Commerce; from this bill the Transport Research and Development Division evolved to carry out this function.

The objective of the division is to promote optimum economic development by providing the means for the most effective marketing of Alberta products both domestically and internationally as well as ensuring efficient transportation facilities are available to all Albertans.

DIVISIONAL GROWTH

During the year, the division added the following staff:

Program Director - Rail

Program Director - Road

Program Director - Air

Program Director - Distribution Services

Manager - Ports and Waterways

Manager - Pricing and Analysis

Two Transport Development Officers

Three Clerks

The division is not yet fully staffed but complete staffing is projected for the third quarter of 1974.

PROJECTS UNDERTAKEN AND COMPLETED

1. The division initiated formulation of united positions for four western provinces.
2. Research and background material was compiled for W.E.O.C.
3. Initiated and negotiated with Department of Highways and Transport the Uniform Truck License and Reciprocity Agreement between Saskatchewan, Alberta and British Columbia.
4. Initiated and negotiated the Gross Vehicle Weight changes from 72,000 to 110,000 lbs. The division negotiated with Saskatchewan and Manitoba for similar Gross Vehicle Weight increases.
5. Negotiation for a cost sharing program with the federal government for a highway strengthening program was carried out.
6. The division worked with Department of Highways and Transport on the building of the McMurray road to coincide with Syncrude project.
7. For the first time, joint federal/provincial funding and involvement was applied to research projects such as West Coast Access multi-modal route and the Calgary-Edmonton Corridor Study.
8. Agreement was reached on the exemption of truckers from tolls in the Alberta and British Columbia national parks.
9. Western Transportation Advisory Council was developed, consisting of the four western provinces, Canadian National and Canadian Pacific Railways, and industry representatives, to form a systems analysis group.
10. Alberta took a leadership position in negotiating rail cost disclosures.
11. A federal/provincial committee on western transportation was developed, comprising top officials from the four western provinces and the federal Minister of Transport.

12. The Airport Development Policy was formulated.
13. Distribution analysis and evaluation for transporting Alberta coal to Ontario markets was researched.

RESEARCH PROJECTS INITIATED

1. Urban Rail Relocation; feasibility and need for data was examined.
2. Urban Transport Policy; under review.
3. Calgary-Edmonton Corridor Study; to determine future requirements for all modes along the corridor to year 2000.
4. Edmonton-North Transportation Study, a federal/provincial undertaking; should result in special agreement under DREE or MOT funding, partly cost shared, for the development of road and rail networks to serve economic development and social dissolution - possible project costs $200 million.
5. Development of a new technique of freight rate making; equitable pricing technique.
6. A review of rail freight rate structures for major shippers of coking coal, thermal coal, sulphur, liquified petroleum gases, fertilizer, iron and steel.

PROJECTS UNDERTAKEN OR ABOUT TO BE UNDERTAKEN

1. Grain distribution system: Advised Canada Grain Council in review of grain transport systems.
2. Examined capacity rail plant limitations.
3. Airport development program: An Alberta third level air policy initiated.
4. Data collection on Canadian and world ports.
5. Distribution sector analysis - forests, petrochemicals, coal, sulphur, iron and steel.

6. Western Canada railway: Feasibility analysis of rail extentions and configurations in Alberta.
7. Interswitching: Examination of adequacy of interswitching limit in municipalities in Alberta.
8. W.E.O.C. initiatives - long haul versus short haul rates
   - raw versus finished product rates
   - rate grouping
9. Westpac - an alternative to small shippers method for decreasing distrubution costs.
10. Survey of towns to find out need for inclusion in the Express Tariff Association 100.
11. Industry shippers survey in Calgary/Edmonton corridor.

COMMUNICATIONS

Arrangements by personal contact made to initiate a series of seminars and public meetings in Alberta towns and cities, to inform the Alberta shippers of more efficient and economical distribution methods.

Public speaking engagements were scheduled as time permitted with chambers of commerce, trade associations, and other interested groups to inform them of Alberta Government's transportation program and policies.

ECONOMIC RESEARCH AND ANALYSIS BRANCH

ANNUAL REPORT

FISCAL YEAR 1973-74

INTRODUCTION

The stated goal of the branch has been "to collect, analyze, and transmit meaningful information in the form of verbal or written reports to those departments, branches and agencies of government and those individuals, firms, and groups in the private sector engaged in developing the resources of Alberta."

The four main objectives of the branch are:

1. To provide the Department of Industry and Commerce with a professional group capable of preparing research papers and reports concerning policy.
2. To prepare reports highlighting industrial development activities in Alberta.
3. To develop forecasts and economic outlook reports.
4. To undertake research into the travel industry in Alberta.

The Economic Research and Analysis Branch undertook feasibility studies and marketing analyses of industrial development prospects for Alberta, economic forecasting and travel research. Services were expanded to include economic analysis of all aspects of the provincial economy, foreign market research and the responsibility for planning, developing and recommending long range economic strategies for both the public and private sector. Following are the major areas of research activity undertaken by the Economic Research and Analysis Branch during the 1973-74 fiscal year.

WESTERN ECONOMIC OPPORTUNITIES CONFERENCE

The branch took an active role in the Alberta Government's preparation for the Western Economic Opportunities Conference held July 17-19, 1973. Its major contributions were preparation of background papers for the federal provincial meeting of ministers of industry and the Prairie Economic Council in the topic areas of:

- small business programs and the role of regional offices of industry, trade and commerce,
- information on federal industrial development programs in Alberta,
- industry sectors including materials, wood products, apparel and textiles, agriculture, fisheries and food, chemicals and machinery,
- international trade developments,
- procurement tied to non-Canadian financing,
- G.A.T.T. trade negotiations,
- Canada-U.S. relations,
- Canada-U.S. Automotive Agreement,
- research and development programs,
- tariffs and trade,
- fiscal/monetary policy decisions which may be discriminatory to western Canada,
- greater provincial participation in the planning and preparation of background data for the industry, trade and commerce mission,
- federal government purchasing policy.

In addition to being responsible for the tariffs and commercial policies submission, the Economic Research and Analysis Branch was active in reviewing and commenting on the western provinces' position papers on the following agenda items:

- economic and industrial development opportunities
- capital financing and regional financing institutions
- agriculture

The branch also reviewed and commented on all federal government position papers released prior to W.E.O.C.

MARKET ANALYSIS

The Economic Research and Analysis Branch prepared market reports on the following commodities: clothing, wine, some steel products, mobile home and trailer components, dehydrated alfalfa, processed meat and sausage, methanol, flakeboard, particle board, lumber and peat moss. In addition, the branch prepared a study of municipalities in Alberta to provide guidelines for attracting new industry. To develop awareness of the government services available to the business community, a directory was prepared listing all federal and Alberta government services to industry in Alberta. This branch represents the department on the following committees: The Water Power Regulations Committee, the Food Process Industry Advisory Committee, and the Steering Committee of the Foothills Resource Allocation Study.

The branch has also been actively engaged in major studies on the petrochemical industry in Alberta, industrial gas policy, and gas pricing policy.

ECONOMIC ANALYSIS AND FORECASTING

The branch was involved in reviewing and commenting in the following areas: The Competition Act, the Foreign Takeover Review Act, Foreign Investment Policy, Eighth Federal-Provincial Economic Statistics Conference, and other areas pertinent to economic development of Alberta. Publications include the Executive Report series and the monthly publication , "Alberta Economic Outlook". The branch prepared briefing papers for the minister's meetings with federal ministers Honorable A. Gillespie and Honorable H. Gray and an

assessment of the impact of manufacturing on community growth in Alberta.

TRAVEL RESEARCH

The branch is responsible for satisfying the travel research needs of Travel Alberta and the tourist industry of the province. The year 1972 saw the completion of the "1971 Survey and Analysis of Resident and Non-Resident Travel" and subsequent analysis of the study in 1973. Other areas of travel research undertaken in 1973/74 included the Canadian Travel Survey, Alberta Government Recreation Committee and the Technical Sub-Committee of the Travel Research Planning Committee of the Federal-Provincial Conference on Tourism. Early in 1973 the branch began to study various sectors of the tourist industry with a view to identifying travel facility and program gaps. In addition, the Travel Data book was updated and the branch participated on a committee established to co-ordinate a tourism regional impact study.

FOREIGN MARKET RESEARCH

This area of research included gathering of relevant economic information for Alberta trade missions.

Economic and marketing data on numerous foreign countries with market potential for Alberta export commodities were collected. The data include import and export statistics, information on trade patterns, tariffs, import quota regulations, international freight rates, development plans and others. Special emphasis was placed on those foreign markets visited or intended to be visited by economic trade missions from Alberta. Recent background papers prepared on Alberta's trading partners include Italy, United Kingdom, France, U.S.S.R., The Republic of Korea, Thailand, Indonesia, and The Republic of Singapore.

PLANNING AND PROGRAM DEVELOPMENT

Late in 1972 the branch created a Planning and Program Development

Section. During the 1973-1974 fiscal year this section effected preliminary investigations on Alberta government purchasing policy and recommendations associated with various economic development strategies.

PUBLICATIONS DISTRIBUTED 1973-74

ECONOMIC OUTLOOK REPORTS

- Executive Report - 1974 ... a survey of executive opinion

  A survey of executive opinion concerning the economic outlook for Alberta in 1974. (Annual)

- The Mid-Year Economic Forecast ... executive report 1973

  To provide a short-term economic outlook for the province of Alberta during the remainder of the current year. (Annual)

- Alberta Economic Outlook

  To provide a short-term forecast of economic activity in Alberta and comment on the expected impact of national and international economic affairs on the Alberta economy. (Monthly)

MARKET REPORTS

- Mobile Homes and Recreational Vehicles in North America, 1970
- Market Analysis - Calcium Chloride, 1970
- Feasibility of Manufacturing Pot-and Pearl Barley in Alberta, 1970
- Wood Fibre Insulation Board Markets in Canada and United States, 1970
- Potato Processing - A Study of Major Product Items, 1970
- The Hosiery Industry, 1971
- Wire Lawn and Garden Fence Study
- Alfalfa Dehydrating in Alberta, Revised 1971
- Survey and Analysis of Resident and Non-Resident Travel, 1971
- The Cheese Industry, 1972
- A Summary of "Opportunities for Manufacturing: Prairie Region to 1981", 1972

- Analysis of Offshore Markets for Canadian Rapeseed Oil and Meal, 1972
- Canadian Vegetable Oil and Meal Situation, 1972
- Markets for Alberta Peat Moss, 1973
- The Clothing Industry - Canada and Alberta, 1973
- Market Potential for Alberta Wine, 1973
- Market Potential for Alberta Lumber in Japan, 1973
- Flakeboard - An Analysis of the Canadian Market for Sheathing Materials, 1972
- A review on the Market Potential for Particle Board in Western Canada, 1972
- Manufacturing Opportunities - Mobile Shelter Components, 1973

OTHER REPORTS

- Services to Business, 1973
- A Guideline for Attracting New Industry, 1973
- Announced Industrial Projects - Alberta, Under Construction and Proposed for 1974

'75
SEP 2 3 '75
MAR 22 '77